



PRESS RELEASE

FOR IMMEDIATE RELEASE
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For Information Contact Public Affairs
HARRIET BERNICK
Telephone: (602) 514-7736
Pager: (602) 356-0004

REAL ESTATE BROKER SENTENCED TO SIX MONTHS INCARCERATION AND \$53,046 FINE FOR LOAN FRAUD SCHEME

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on April 29, 2003, Julio Adalberto Hidalgo, Sr., DOB 7/23/44, and his son, Julio Hidalgo, Jr., DOB 12/11/65, of Mesa, Arizona, appeared before Judge Frederick J. Martone, in U.S. District Court, Phoenix, Arizona for sentencing on their previous guilty pleas to Defrauding the U.S. Department of Housing and Urban Affairs (HUD), a violation of 18 U.S.C. §1010. Judge Martone sentenced Julio Hidalgo, Jr., to 6 months in prison, to be followed by one year supervised release, to include 6 months of home confinement. Hidalgo, Jr. was further ordered to pay restitution to the government and 5 former clients in the amount of \$53,046.88.

Julio Hidalgo, Sr. was sentenced to six months of home confinement as part of 3 year term of probation, and ordered him to make restitution to the U.S. Department of Housing and Urban Development (HUD) in the amount of \$24,552.85. A fine of \$5,000 was also imposed by the Judge.

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On November 5, 2001, a Federal Grand Jury indicted Julio Hidalgo, Sr. and Julio Hidalgo, Jr., on one count of Conspiracy, 12 counts of Filing False Statements with HUD, and four counts of Mail Fraud. The indictment alleged that the Hidalgos created and prepared false residential loan applications, social security cards, IRS W-2 Wage and Tax Statements, and false pay stubs in order to qualify individuals for Federal Housing Administration (FHA) insured mortgages.

The indictment also alleged that Julio Hidalgo, Jr. stole money from clients by misrepresenting that additional funds be paid to him prior to the real estate closing would be used as part of the down payment for the purchase of a home. In one instance, Julio Hidalgo, Jr. obtained from a husband and wife \$20,130 but only applied \$3,672 toward the purchase of their home. On another occasion, Julio Hidalgo, Jr., collected \$6,600 from a client who only spoke Spanish, but applied just \$3,549 toward the purchase of the home.

The investigation was conducted by the HUD Office of Inspector General, with assistance from the Federal Bureau of Investigation.

The prosecution was handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-01-1001-1 PHX FJM
RELEASE NUMBER: 2003-072

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